

# **CalWORKs:** *Recent History and Future Direction*

**California Department of Social Services**

*Handout for*

**Assembly Budget Subcommittee # 1**

Wednesday  
March 13, 2013  
1:30 p.m.  
Capitol Room 444

## CalWORKs: Background

### **Caseload Highlights:**

***575,000 Families***

***Over One Million Children***

***Increased 100,000 Cases During Recession***

***55 Percent Poor Children Served***

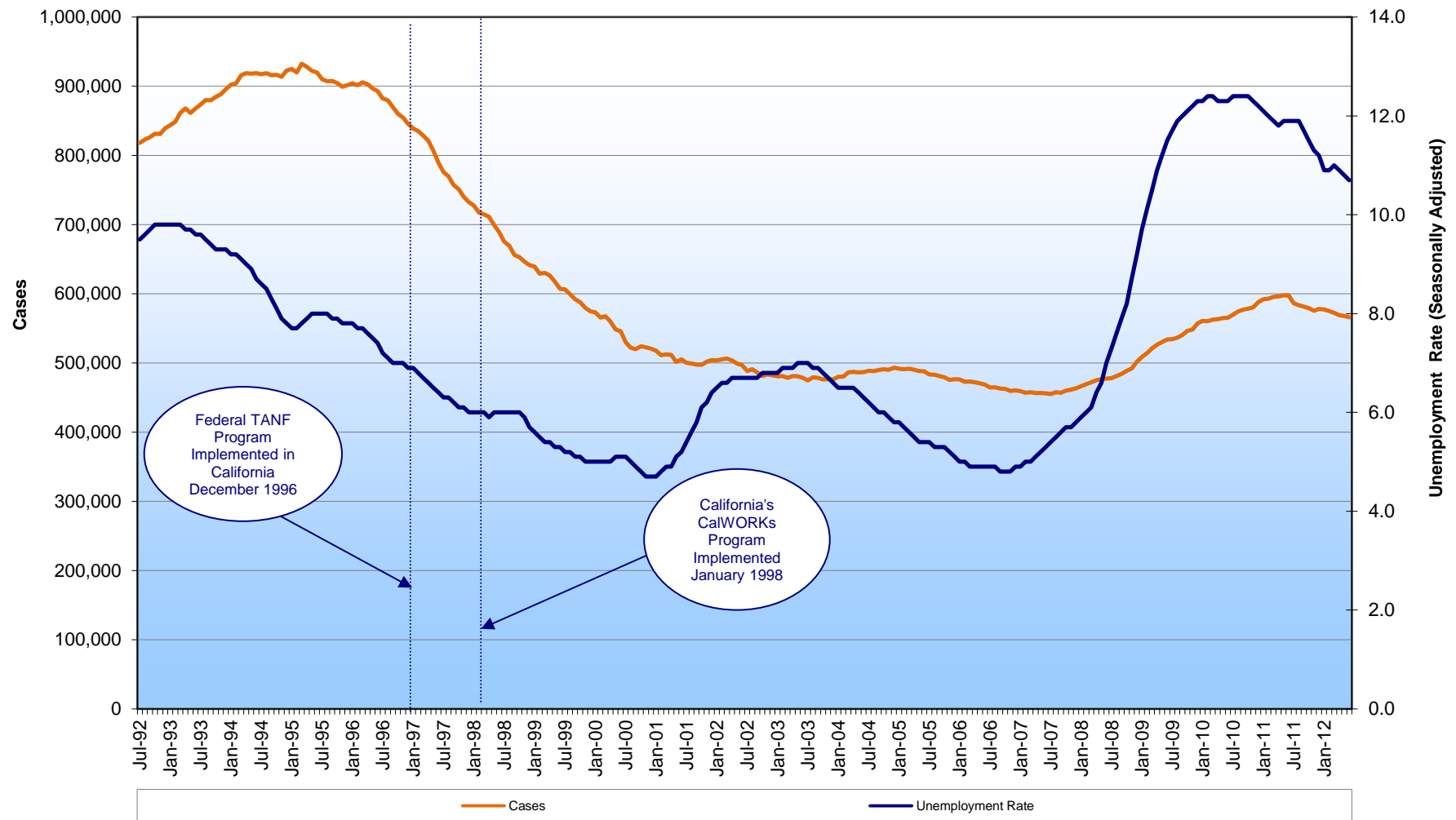
**What is CalWORKs?** CalWORKs provides cash grants and welfare-to-work services to low-income families with children.

#### Key Features:

- ✓ Cash Grants for Families
- ✓ Work Activities
- ✓ Safety Net for Children
- ✓ County Flexibility
- ✓ Time Limits
- ✓ Cash Bonuses for Teen Academic Success
- ✓ Earnings Disregard
- ✓ Child Care/Supportive Services
- ✓ Substance Abuse, Mental Health and Domestic Violence Services
- ✓ Exemptions from Time Clock and Participation

- About 55 percent of children in poverty in California are served by CalWORKs. This is more than double the comparable national rate of about 22 percent served by TANF.
- The graphic on the next page shows how the caseload has responded to changes in unemployment.

### AFDC/CalWORKs Program Monthly Caseload and Unemployment Rates July 1992 - June 2012



## AFDC/CalWORKs Program Monthly Caseload and Unemployment Rates July 1992 - June 2012

### TRENDS

- The overall caseload has declined 39.3% since March 1995, the highest point in California's caseload.
- California's caseload has declined 33.1% since December 1996, when California's Temporary Assistance for Needy Families Program began.
- California's caseload has declined 22.2% since CalWORKs was implemented in January 1998 (between January 1998 and June 2011).
- California's caseload has decreased 3.8% since the implementation of the Separate State Program (between October 1999 and June 2011).
- California's caseload has decreased 3.5% in the last twelve months (between July 2011 and June 2012).

|       |             | July    | August  | September | October | November | December | January | February | March   | April   | May     | June    |
|-------|-------------|---------|---------|-----------|---------|----------|----------|---------|----------|---------|---------|---------|---------|
| 92/93 | Caseload    | 817,998 | 823,224 | 826,480   | 831,520 | 831,030  | 839,415  | 843,924 | 848,765  | 861,681 | 867,913 | 861,681 | 867,913 |
|       | Unemp. Rate | 9.5     | 9.6     | 9.7       | 9.8     | 9.8      | 9.8      | 9.8     | 9.8      | 9.8     | 9.7     | 9.7     | 9.6     |
| 93/94 | Caseload    | 873,768 | 880,021 | 879,468   | 884,546 | 888,350  | 896,002  | 902,361 | 904,275  | 915,733 | 918,930 | 918,265 | 918,814 |
|       | Unemp. Rate | 9.6     | 9.5     | 9.4       | 9.3     | 9.3      | 9.3      | 9.2     | 9.2      | 9.1     | 9.0     | 8.9     | 8.7     |
| 94/95 | Caseload    | 917,289 | 919,092 | 916,017   | 916,656 | 913,599  | 922,661  | 924,913 | 919,917  | 932,345 | 927,982 | 922,133 | 919,526 |
|       | Unemp. Rate | 8.6     | 8.5     | 8.3       | 8.1     | 7.9      | 7.8      | 7.7     | 7.7      | 7.8     | 7.9     | 8.0     | 8.0     |
| 95/96 | Caseload    | 910,272 | 907,072 | 907,487   | 904,655 | 899,094  | 901,382  | 904,150 | 901,428  | 905,660 | 903,006 | 896,820 | 892,726 |
|       | Unemp. Rate | 8.0     | 8.0     | 7.9       | 7.9     | 7.8      | 7.8      | 7.8     | 7.7      | 7.7     | 7.6     | 7.5     | 7.4     |
| 96/97 | Caseload    | 882,164 | 879,586 | 869,862   | 860,016 | 854,851  | 845,607  | 838,820 | 835,140  | 828,562 | 820,986 | 806,823 | 788,975 |
|       | Unemp. Rate | 7.2     | 7.1     | 7.0       | 7.0     | 7.0      | 6.9      | 6.9     | 6.8      | 6.7     | 6.6     | 6.5     | 6.4     |
| 97/98 | Caseload    | 776,022 | 769,904 | 756,950   | 751,262 | 740,221  | 732,304  | 727,695 | 717,288  | 714,853 | 711,228 | 699,164 | 689,220 |
|       | Unemp. Rate | 6.3     | 6.3     | 6.2       | 6.1     | 6.1      | 6.0      | 6.0     | 6.0      | 6.0     | 5.9     | 6.0     | 6.0     |
| 98/99 | Caseload    | 675,540 | 669,237 | 656,261   | 653,003 | 646,402  | 641,359  | 639,059 | 629,027  | 630,301 | 626,534 | 617,872 | 607,278 |
|       | Unemp. Rate | 6.0     | 6.0     | 6.0       | 6.0     | 5.9      | 5.7      | 5.6     | 5.5      | 5.4     | 5.4     | 5.3     | 5.3     |
| 99/00 | Caseload    | 606,485 | 599,784 | 591,977   | 587,947 | 579,718  | 574,696  | 573,202 | 565,452  | 567,549 | 559,885 | 548,382 | 545,958 |
|       | Unemp. Rate | 5.2     | 5.2     | 5.1       | 5.1     | 5.0      | 5.0      | 5.0     | 5.0      | 5.0     | 5.0     | 5.1     | 5.1     |
| 00/01 | Caseload    | 529,940 | 522,009 | 520,050   | 523,933 | 522,574  | 520,660  | 517,592 | 511,307  | 512,571 | 511,555 | 501,598 | 505,298 |
|       | Unemp. Rate | 5.1     | 5.0     | 4.9       | 4.8     | 4.7      | 4.7      | 4.7     | 4.8      | 4.9     | 4.9     | 5.1     | 5.2     |
| 01/02 | Caseload    | 500,482 | 499,169 | 497,818   | 497,439 | 502,019  | 504,298  | 503,738 | 505,132  | 506,236 | 503,836 | 499,266 | 496,783 |
|       | Unemp. Rate | 5.4     | 5.6     | 5.8       | 6.1     | 6.2      | 6.4      | 6.5     | 6.6      | 6.6     | 6.7     | 6.7     | 6.7     |
| 02/03 | Caseload    | 488,382 | 490,928 | 486,446   | 481,275 | 483,344  | 482,071  | 480,610 | 480,944  | 478,602 | 480,939 | 480,875 | 478,411 |
|       | Unemp. Rate | 6.7     | 6.7     | 6.7       | 6.8     | 6.8      | 6.8      | 6.8     | 6.9      | 6.9     | 6.9     | 7.0     | 7.0     |
| 03/04 | Caseload    | 474,776 | 479,299 | 478,455   | 476,327 | 476,691  | 476,005  | 480,092 | 480,437  | 486,446 | 487,003 | 486,511 | 486,745 |
|       | Unemp. Rate | 7.0     | 6.9     | 6.9       | 6.8     | 6.7      | 6.6      | 6.5     | 6.5      | 6.5     | 6.5     | 6.4     | 6.3     |
| 04/05 | Caseload    | 488,492 | 488,204 | 489,908   | 490,790 | 490,209  | 493,095  | 491,813 | 490,785  | 491,692 | 490,284 | 488,341 | 487,746 |
|       | Unemp. Rate | 6.2     | 6.1     | 6.0       | 6.0     | 5.9      | 5.8      | 5.8     | 5.7      | 5.6     | 5.5     | 5.4     | 5.4     |
| 05/06 | Caseload    | 483,288 | 482,886 | 481,041   | 479,041 | 475,567  | 476,667  | 476,310 | 472,723  | 473,180 | 472,013 | 470,494 | 468,597 |
|       | Unemp. Rate | 5.4     | 5.3     | 5.3       | 5.3     | 5.2      | 5.1      | 5.0     | 5.0      | 4.9     | 4.9     | 4.9     | 4.9     |
| 06/07 | Caseload    | 464,313 | 464,853 | 463,160   | 462,427 | 459,646  | 460,161  | 459,141 | 456,782  | 457,569 | 456,697 | 456,618 | 456,001 |
|       | Unemp. Rate | 4.9     | 4.9     | 4.8       | 4.8     | 4.8      | 4.9      | 4.9     | 5.0      | 5.0     | 5.1     | 5.2     | 5.3     |
| 07/08 | Caseload    | 454,956 | 457,657 | 457,069   | 460,003 | 461,581  | 463,333  | 466,522 | 469,252  | 472,147 | 474,958 | 476,521 | 477,413 |
|       | Unemp. Rate | 5.4     | 5.5     | 5.6       | 5.7     | 5.7      | 5.8      | 5.9     | 6.0      | 6.1     | 6.4     | 6.6     | 7.0     |
| 08/09 | Caseload    | 478,132 | 481,120 | 483,983   | 488,503 | 492,056  | 501,879  | 508,471 | 513,816  | 521,281 | 526,478 | 530,168 | 534,043 |
|       | Unemp. Rate | 7.3     | 7.6     | 7.9       | 8.2     | 8.7      | 9.2      | 9.7     | 10.1     | 10.5    | 10.9    | 11.2    | 11.5    |
| 09/10 | Caseload    | 534,249 | 536,464 | 540,475   | 546,527 | 548,111  | 557,279  | 560,630 | 560,534  | 562,565 | 563,406 | 564,728 | 565,194 |
|       | Unemp. Rate | 11.7    | 11.9    | 12.0      | 12.1    | 12.2     | 12.3     | 12.3    | 12.4     | 12.4    | 12.3    | 12.3    | 12.3    |
| 10/11 | Caseload    | 569,869 | 574,416 | 576,845   | 578,364 | 580,457  | 587,964  | 592,202 | 592,741  | 595,329 | 596,315 | 597,688 | 597,723 |
|       | Unemp. Rate | 12.4    | 12.4    | 12.4      | 12.4    | 12.3     | 12.2     | 12.1    | 12.0     | 11.9    | 11.8    | 11.9    | 11.9    |
| 11/12 | Caseload    | 586,491 | 583,539 | 581,447   | 579,108 | 575,597  | 577,936  | 577,483 | 574,978  | 572,498 | 568,998 | 567,951 | 565,831 |
|       | Unemp. Rate | 11.9    | 11.9    | 11.7      | 11.5    | 11.3     | 11.2     | 10.9    | 10.9     | 11.0    | 10.9    | 10.8    | 10.7    |

## CalWORKs: Recent Program History

Spurred by budget constraints, there have been substantial changes to the CalWORKs program over the past three years (major changes listed below). The next pages display the recent history of the program with respect to grant levels and caseload; and a portrait of family resources for different types of CalWORKs cases before and after the changes through 2012.

### CalWORKs Changes by Year

#### Budget Year

- |                |   |
|----------------|---|
| <b>2009-10</b> | <ul style="list-style-type: none"><li>• Reduction of Four Percent to Cash Aid (maximum monthly grant from \$723 to \$694)<sup>1</sup></li><li>• Eliminated Cost of Living Adjustments</li><li>• Reduction to the CalWORKs Single Allocation (\$375 million)</li><li>• Expanded Welfare-to-Work (WTW) Exemptions (corresponding with allocation reduction)</li></ul>   |
| <b>2010-11</b> | <ul style="list-style-type: none"><li>• Continued Single Allocation Reduction</li><li>• Continued expanded WTW Exemptions</li></ul>   |
| <b>2011-12</b> | <ul style="list-style-type: none"><li>• Reduction of Time on Aid Limit from 60 to 48 Months for Adults</li><li>• Reduction of Eight Percent to Cash Aid (maximum monthly grant from \$694 to \$638)<sup>1</sup></li><li>• Continued Single Allocation Reduction</li><li>• Continued expanded WTW Exemptions</li><li>• Lowered Earned Income Disregard (from \$225 and 50 percent to \$112 and 50 percent)</li><li>• Suspended Cal-Learn One Year (case management for pregnant and parenting teens—bonuses continued during suspension)</li></ul> |

<sup>1</sup>Assistance Unit of 3 in high cost counties

**CalWORKs Caseload and Grants**  
**Recent History and Projections**  
**(FY 2007-08 through FY 2013-14)**

**Average Monthly Caseload and Grants**

| Fiscal Year | CalWORKs Cases | Average Grants | MAP for AU of 3<br>Region 1 |
|-------------|----------------|----------------|-----------------------------|
| 2007-08     | 465,951        | \$ 537.67      | \$ 723                      |
| 2008-09     | 504,994        | \$ 540.58      | \$ 723                      |
| 2009-10     | 553,347        | \$ 514.46      | \$ 694                      |
| 2010-11     | 586,659        | \$ 517.35      | \$ 694                      |
| 2011-12     | 575,988        | \$ 466.33      | \$ 638                      |
| 2012-13*    | 563,505        | \$ 467.04      | \$ 638                      |
| 2013-14*    | 572,133        | \$ 462.66      | \$ 638                      |

\* Shaded cells represent projections from the 2012 November Estimates.

California's grant levels are divided into two regions. Reflects the Maximum Aid Payment (MAP) for an Assistance Unit (AU) of 3 in Region 1 Counties: Alameda, Contra Costa, Los Angeles, Marin, Monterey, Napa, Orange, San Diego, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma and Ventura.

**Portrait of CalWORKs Families**  
Before and After Major Program Changes

Case-Type Ratios  
(FFY 2012)<sup>2</sup>

Case Type

FFY 2008

FFY 2012

**Single Parent Aided Adult Cases - With and Without Income**

|                |  |                                    |         |         |
|----------------|--|------------------------------------|---------|---------|
| 31%<br>160,985 | <b>Aided Adult<br/>Family of 3<br/>AU of 3<br/>No Income</b>   | Maximum Aid Payment <sup>3</sup>   | \$723   | \$638   |
|                |  | CalFresh Benefit <sup>4</sup>      | \$348   | \$474   |
|                |  | Income                             | \$0     | \$0     |
|                |  | Total                              | \$1,071 | \$1,112 |
| 11%<br>56,725  | <b>Aided Adult<br/>Family of 3<br/>AU of 3<br/>With Income</b> | Avg. Grant                         | \$467   | \$473   |
|                |  | Avg. CalFresh Benefit              | \$272   | \$394   |
|                |  | Avg. Countable Income <sup>5</sup> | \$897   | \$721   |
|                |  | Avg. "Spendable" Income            | \$1,636 | \$1,589 |

**Cases with No Aided Adult**

|                |   |                         |         |         |
|----------------|---|-------------------------|---------|---------|
| 6%<br>33,456   | <b>Sanctioned<br/>Family of 3<br/>AU of 2</b> | Avg. Grant              | \$460   | \$445   |
|                |   | Avg. CalFresh Benefit   | \$263   | \$386   |
|                |   | Avg. Countable Income   | \$180   | \$59    |
|                |   | Avg. "Spendable" Income | \$903   | \$890   |
| 38%<br>198,082 | <b>Child Only<br/>Family of 3<br/>AU of 2</b> | Avg. Grant              | \$482   | \$393   |
|                |   | Avg. CalFresh Benefit   | \$199   | \$269   |
|                |   | Avg. Countable Income   | \$137   | \$126   |
|                |   | Avg. "Spendable" Income | \$819   | \$789   |
| 14%<br>71,981  | <b>Safety Net<br/>Family of 3<br/>AU of 2</b> | Avg. Grant              | \$406   | \$368   |
|                |   | Avg. CalFresh Benefit   | \$345   | \$468   |
|                |   | Avg. Countable Income   | \$271   | \$186   |
|                |   | Avg. "Spendable" Income | \$1,023 | \$1,022 |

The amount of income that would make an Assistance Unit (AU) of 3 ineligible for CalWORKs was \$1,671 in FFY 2008 and \$1,388 in FFY 2012.

**DATA SOURCE: Research and Data Enterprise Project (RADEP) Federal Sample, FFY 2008 and FFY 2012.**

<sup>1</sup>Since 2008, there have been several major program changes including grant reductions totaling 12 percent, a reduction in the earned income disregard (to be restored in October 2013), and a reduction in the adult assistance time limit from 60 to 48 months.

<sup>2</sup>Each case type as a percent of the total CalWORKs Single Parent caseload (521,229 cases), regardless of Family Size.

<sup>3</sup>Non-Exempt Region 1 (counties with a higher cost-of-living) for an Assistance Unit of 3.

<sup>4</sup>CalFresh Benefit for Single Parent AU of 3 with no income calculated using non-exempt MAP, average housing costs, and standard deductions for FFY 2008 and FFY 2012.

<sup>5</sup>Countable income is income that is considered when computing the grant and can include earnings from employment, Worker's Compensation, Disability, and other income. It does NOT include SSI benefits or the Earned Income Tax Credit, which would also contribute to a wage earner's "spendable" income.

## CalWORKs: Major Changes in January 2013

### New 24 Month Clock

The most significant change to the CalWORKs program is the establishment of a prospective 24 month time limit, known as the “WTW 24-Month Time Clock,” for non-exempt able-bodied adults to receive a wide array of services and supports to enter and remain in the workforce. After the 24 month clock, clients are expected to meet federal work participation requirements.

Other adopted changes:

- **20 Percent Extension:** recognizing that some adults will not find employment within 24 months, counties will provide up to 20 percent of their caseload with additional time to complete their educational goals or find a job.
- **Reengagement:** expanded “young child exemptions” expired on January 1, 2013. Clients with these exemptions are being phased into the program over two years.
- **Earned Income Disregard:** increase the earned income disregard, to its original \$225 and 50 percent format which allows families to keep more of their cash grant when they go work--effective October 1, 2013.
- **Participation Requirements:** align state weekly participation hour requirements with the federal law (generally, a 32 hour requirement is reduced to either 30 or 20 hours per week depending on the age of the youngest child).
- **Reporting:** reduce reporting requirements for most cases without aided adults, resulting in administrative simplification and savings.
- **Exemptions:** provide one-time exemption from work requirements for parents with children under age two.
- **Cal-learn:** Restored the Cal-Learn Program no later than March 31, 2013 in all counties.
- **Evaluation:** the new program rules will be evaluated by the Department of Social Services by 2018 to ensure CalWORKs is operating as intended.



## CalWORKs: Implementation

### **Workgroup Meetings:**

#### ***Reengagement:***

**3**

#### ***24 Month Clock:***

**6**

#### ***Early Engagement:***

**4**

#### ***Program Evaluation:***

**1 to date**

**On-going to 2018**

#### ***Oversight:***

**Begin Spring 2013**

**On-going**

#### ***WINS:***

**Begin Summer 2013**

**Stakeholder Workgroups** have been the primary mechanism for the development of instructions, issue analyses, and alternatives for implementing the new rules adopted in Budget Year 2012-13. County front-line workers and CalWORKs recipients were included in some meetings.

Membership includes:

- ✓ County Welfare Directors Association
- ✓ Counties
- ✓ Welfare Rights Advocates
- ✓ Legislative Staff
- ✓ Legislative Analyst's Office
- ✓ Chancellor's Office of CA Community Colleges, Department of Finance
- ✓ County SEIU Representatives

### **Guidance Released**

- |   |                |
|---|----------------|
| • ACL 12-49 <i>Annual Reporting for Child Only Cases</i>  | September 2012 |
| • ACL 12-53 <i>Time Clock Informing Notice Language</i>   | October 2012   |
| • ACL 12-60 <i>End of Cal-Learn Suspension</i>            | October 2012   |
| • ACL 12-69 <i>Hourly Work Participation Requirements</i> | December 2012  |
| • ACL 12-67 <i>WTW 24-Month Time Clock</i>                | December 2012  |
| • ACL 12-72 <i>New Young Child Exemption</i>              | December 2012  |
| • ACL 13-0 <i>Reengagement</i>                            | December 2012  |
| • ACL 13-02 <i>Expiration of Time Limit Exemption</i>     | January 2013   |
| • ACIN I-08-13 <i>Training Aid</i>                        | February 2013  |
| • ACL 13-12 <i>Time Clock Informing Notice</i>            | March 2013     |

### **Guidance Pending**

- |  |            |
|--|------------|
| Questions and Answers #1                               | March 2013 |
| Consortia Automation Codes for the 24 Month Time Clock | March 2013 |
| Questions and Answers #2                               | April 2013 |
| Questions and Answers On-Going                         | Open-ended |

## **CalWORKs: Early Engagement**

*As provided in Senate Bill 1041 (Section 54, Chapter 47, Statutes of 2012), CDSS is required to convene a workgroup to identify best practices and other strategies that may improve early engagement and barrier removal efforts.*

On February 28, 2013, CDSS presented to the workgroup potential strategies that focus on the identification of client needs and connecting clients with a variety of services and activities. This approach is proposed to maximize the benefits of the WTW 24-Month Time Clock and lead clients to pathways of success. These potential strategies are summarized below.

### **Strategies and Pathways to Self-Sufficiency**

#### *Additional Proven Appraisal Protocols*

- Holistic profile of the individual.
- Appraising for basic needs and other barriers to participation.

#### *Family Stabilization*

- Intensive case management and services to address immediate crisis situations and needs for a family.
- Ensures a basic level of stability within a family to improve the well-being of children at risk and increases client success in future activities.

#### *Enhanced Subsidized Employment*

- Different tracks that meet the skill level of the client.
- Builds on the success of the American Recovery and Reinvestment Act of 2009 funded Subsidized Employment program.

#### *Pathways to Self-Sufficiency*

- Education opportunities to obtain skills in order to become self-sufficient.
- Services and activities to address clients' barriers to employment (e.g., domestic violence, mental health, learning disabilities and substance abuse).
- Employment that provides experience and skill building in order to reach self-sufficiency.